

News Release



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Labor Department Sues to Appoint Independent Fiduciary For Abandoned Retirement Plan

BOSTON -- The U.S. Department of Labor has sued Lauriat's Incorporated, a former Boston-area bookstore chain, to obtain court appointment of an independent fiduciary to manage the defunct company's abandoned retirement plan. The suit was filed under the Employee Retirement Income Security Act (ERISA).

Filed in U.S. District Court for the District of Massachusetts, the lawsuit seeks to terminate the plan and distribute over \$125,000 in plan assets to approximately 115 eligible participants and beneficiaries.

"The department took legal action to ensure that the participants in the Lauriat's Incorporated Retirement Plan and Trust receive their promised benefits," said James Benages, Boston regional director of the department's Employee Benefits Security Administration (EBSA), which investigated the case.

The investigation revealed that, after filing for bankruptcy in 1998, the company's assets were liquidated. Lauriat's has been defunct since its bankruptcy proceeding was dismissed in January 2002. The retirement plan's assets are currently being held by State Street Bank and are invested in a variety of mutual funds.

Benages noted that the company also abandoned its fiduciary role as retirement plan administrator and participants and beneficiaries of the plan have not been able to gain access to, or information about, their individual accounts. Plans become "orphan plans" when they are abandoned by all fiduciaries designated to manage and operate them and their assets.

In fiscal year 2004, EBSA achieved record monetary results of \$3.1 billion related to pension, 401(k), health and other benefits of millions of American workers and their families. Employers and workers can contact the Boston regional office at 617-565-9600. Help with problems relating to private-sector retirement and health plans can also be obtained by calling EBSA's toll free number at 1-866-444-EBSA (3272).

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(Chao v Lauriat's, Incorporated Retirement Plan & Trust)
Civil Action No. 1:05-cv-11075-RGS